

REMARKS

After entry of the foregoing amendment, claims 7-74 are pending in the application.

Claims 16-18 and 22-31 stand allowed. Claims 7-15 and 19-21 stand rejected. Claims 32-74 are newly added to more fully protect applicant's inventive work.

Rather than pursue the appeal filed August 23, 2004, applicant has elected to prosecute this application further.

Applicant continues to maintain that claims 7-15 and 19-21 are properly patentable. Reconsideration is requested.

The rejections of these claims (detailed in the January 28, 2004 Action) do not fully address the claims' limitations. For example, the Action addressed claims 7-10, 12-14, and 21 with reference to only the following language (which is said to be found in Tow '098):

- *"receiving data corresponding to a graphic image"*
- *"steganographically encoding the image to hide digital data"*
- *"producing/printing the image on physical medium for distributing to user who can decode the embedded digital data for use with an application"*

The rejection then concluded by considering the language "*embedding a network address*" (which is said to be found in Tow '091).

However, claims 7-10, 12-14, and 21 include numerous limitations not expressed in the abridged language addressed by the Action, nor taught in the art.

For example, claim 7 requires "receiving digital data corresponding to an initial graphic image, the data representing pixels, each having a value."

Claim 7 goes on to require "processing the initial graphic image in accordance with the plural bit address information..."

Tow '098 is not understood to teach or suggest this. He does not process "data representing pixels, each having a value," in accordance with the plural bit information (the quoted language being required by the reference to the initial graphic image).

Consider Tow '098, Fig. 1. He shows, on the left, "Grayscale Samples" as an input. These samples are pixels, each having a value. However, he does not process the

data in this form. Instead, this pixel data feeds Tow's Halftone Generator 52. It is its output that is processed with the plural bit data. He is processing halftone patterns – not data representing pixels, each of which has a value. (Indeed, the Background section of Tow's specification explains that halftoning was invented to impart a greyscale appearance to graphics printed in absolute black and absolute white.)

Thus, Tow '098 does not process the initial graphic image, as required by claim 7.

Moreover, claim 7 requires that the method include "changing the values of said represented pixels." Tow does not change any "values of said represented pixels." Rather, Tow simply rotates a black/white dot pattern in a halftone image. No value is changed. Indeed, examination of Tow's Figs. 3A-3B shows that he simply takes the input pattern Fig. 3A that is output by his Halftone Generator 52, and rotates it 90 degrees counter-clockwise. The same pattern of dark cells is evident – just rotated. Its "value" is unchanged. (Indeed, the apparent grey-scale effect produced by Tow's rotated halftone cell 61 is unchanged by the rotation.)¹

In view of such distinctions, claim 7 is believed to be in condition for allowance.

Claims 19-21 include various limitations not taught by Tow. Nor are the limitations introduced by these claims addressed by the three bulleted paraphrases of claim language by which these claims are rejected:

- *"receiving data corresponding to a graphic image"*
- *"steganographically encoding the image to hide digital data"*
- *"producing/printing the image on physical medium for distributing to user who can decode the embedded digital data for use with an application"*

For example, there is no consideration given in the Action to the "text and background" limitation of claim 19. Nor is the claim requirement of steganographically embedded into the background referenced or addressed.

Likewise, claim 20 requires that the background be "of continuous tone." (As noted, Tow '098 is not a continuous tone arrangement, but rather is a halftoning system.

In view of such points, other points that might be raised relating to claims 7-15 and 19-21, e.g., concerning deficiencies of the art and patentability of the claims, are not

¹ Although claim 7 distinguishes Tow's halftone approach, it does not preclude graphic data processed in accordance with the claimed method from *later* being rendered using a halftone process.

belabored.

An IDS is submitted herewith. The Examiner's attention is particularly drawn to patents 5,841,978, 6,286,036, 6,311,214, 6,324,573, 6,408,331 and 6,542,927 because they are commonly-owned, with claims drawn to related subject matter.

Favorable consideration and passage of claims 7-74 to issuance are solicited.

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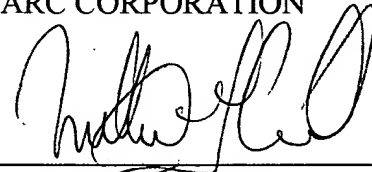
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Respectfully submitted,

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